

Essential Investments in Higher Education

(Opportunity Grants)

Washington State Board for
Community and Technical Colleges

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The Role of Community and Technical Colleges

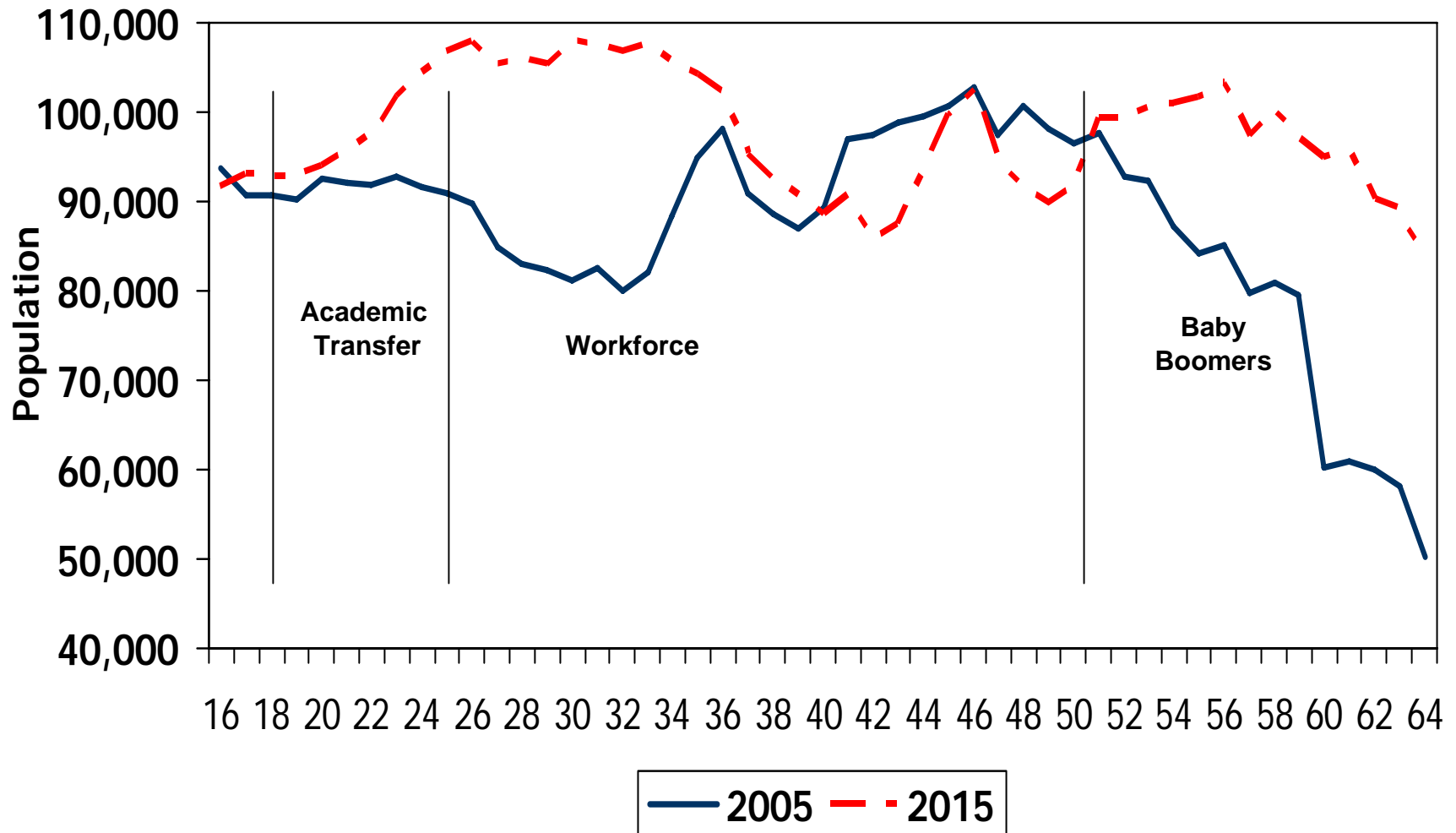
- Multiple Missions
- New Tools from the Legislature
- New Community and Technical College System Direction

Demographic Challenge

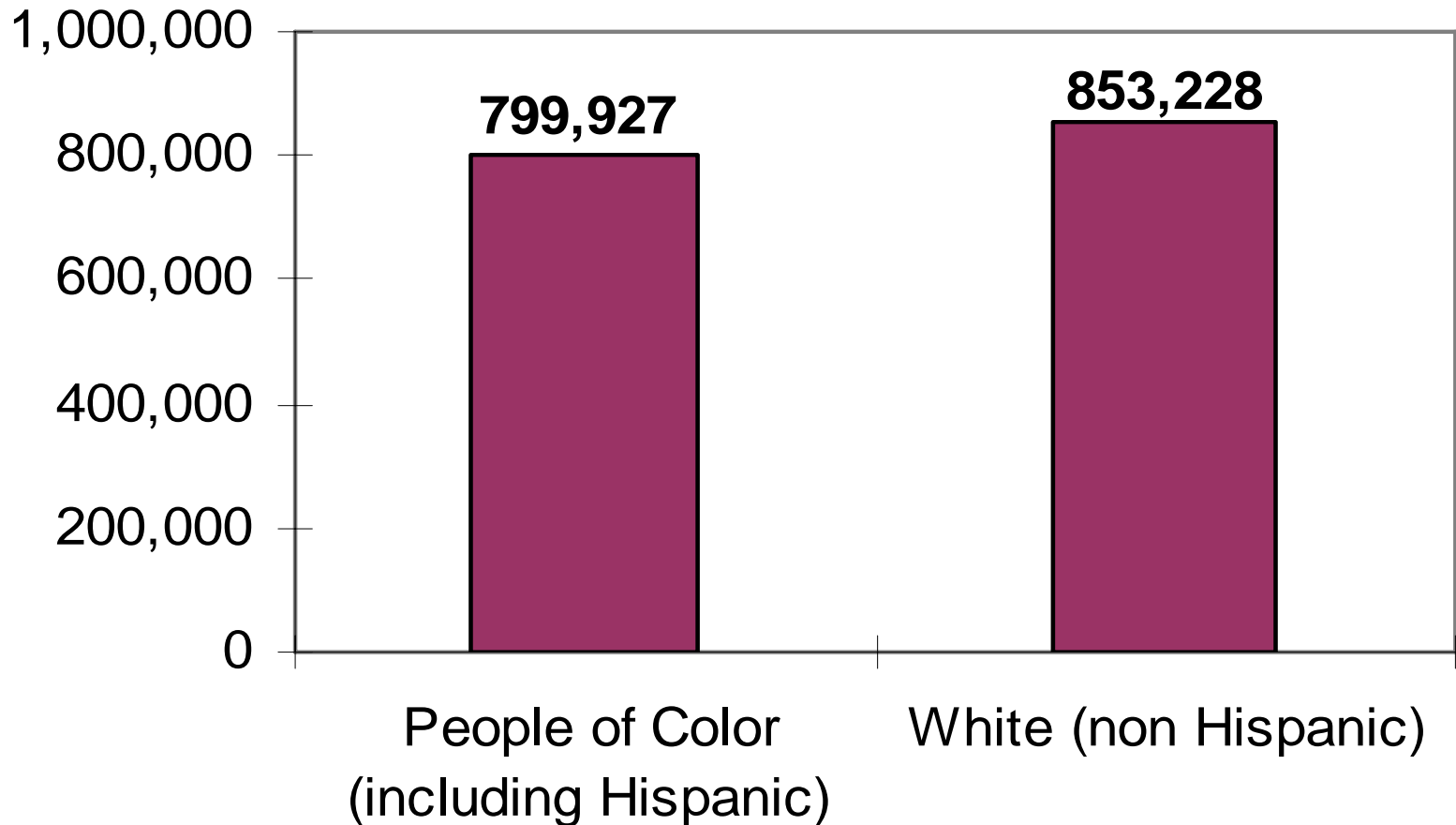
- 1.2 million Washingtonians have a H.S. Diploma or less.
- High growth populations are least likely to participate in higher education.
- Educated/Trained Baby Boomers are leaving the work force (who will do the work?)

Washington State Population Projection

Most growth in population 25-35 and over 50



Washington Population Growth 2000-2020



New System Direction

- Clear Goals
- Essential Elements
- Measurable Results

Rethinking Higher Education in a Flattening World

Reality: If a task (job) can be done cheaper elsewhere, it will go away!

Need: Ideas, knowledge, innovation, and productivity improvements are the path to future prosperity.

Solution: Higher education for a broader demographic

The Educational Tipping Point

- What does the research say. . .
 - The key is 45 college credits (1 year of college) and a certificate or industry credential.
- The Tipping Point is a minimum threshold
 - \$7,000 more per year in earnings than those with less than a high school diploma (which is 25% of all adults).
- It's about complete pathways and lifelong engagement in higher education

The Challenges of Serving Non-traditional Students

First generation and low-income students struggle with:

- Preparation
- Valuing Higher Education
- Financial Aid
- Engagement
- Retention

The Opportunity Grant Pilot Project

- Target low income (200% of poverty).
- Provide comprehensive aid
- Connect with an industry need
- Aggressive outreach to non-traditional students
- Bring student services to the students
- Measure, measure, measure along the way.

Why Invest in the Hardest to Serve?

- They are the fastest growing segment of our population
- 80% of wage earners are sharing in an ever smaller portion of the total economy.

(The lowest four quintiles have slipped from 55.3% of aggregate income to 49.9% in the last twenty years; an annual shift of \$12 billion of income from the many to the few in the State of Washington.)

- The state budget is not sustainable unless we increase the buying power of consumers.

Return on Investment

- Success for individuals
 - Increase gross wages by an average of \$4,000 per year per student (\$120,000 over 30 years)
- Success for the State's economy and tax payers.
 - Annual benefit to the economy and the tax payers of \$4,700 per student.

Key Trends to Reverse

- State's investment in CTCs has gone from 5.5% to 4.8% of the total GFS in 20 years (a \$90 million shift out of the CTCs on an annual basis).
- Students' share of the total cost of instruction has gone from 23% to 38% in the CTC system in 20 years (a \$75 million annual shift to students).
- Personal income for the lowest four quintiles has grown by 19.5% over 20 years (inflation adjusted). Tuition has grown by 98.1% over the same period (inflation adjusted).

Conclusions

- Support full scope of Washington Learns
- Must serve the future population
- Additional State resources will be needed
- Affordability for the students is essential